

THE ONTARIO COMMITTEE, 1963, AND INVITED SUBMISSIONS.

Mr. H.R. Hanson, Secretary, 88 University Ave., Toronto 1, Ontario.

Subject: Reviewing the TAX and OTHER REVENUE SYSTEMS of the Province

of Ontario, under the Public Enquiries Act.

This is a preliminary SUBMISSION from the identification noted below.

OBSERVATION:

The Committee and their personnel are to be compensated for any work and IDEAS submitted, - No remunerative consideration is considered with respect

to any submissions.

ANALYTICAL COMMENT:

Taxation, in various forms, has been the financial basis of Government, in the economy and political governing of peoples for thousands of years.

This fact is acknowledged but not further recognized, too often.

Reviewing bodies, such as appointed commissions, generally submit, for the publication of their report, a shuffled and hashed over conclusion from the many TAXATION devices employed by past and present political entities, from historic or present world political organisations.

HYPOTHESIS:

The presently constituted authority may be endeavouring to achieve:

- (a) More TAX revenue.
- (b) In nature of effect, less discriminatory TAX application or enforcement.
- (c) Cost of collection, substantially reduced.
- (d) Literal PENALTY TAXATION to be more effective, only for penalization.
- (e) TAX disbursement to be more direct and economically and properly applied.
- (f) TAX reasonableness with an encouragement of positive incentive toward individual initiative for economic personal betterment.
- (g) TAX disbursement for government operation and education ONLY. (Not for other purposes, such as WELFARE).
- (h) An elimination of any socialistic or totalitarian features prejudicing the orderly functioning to the taxation of any politically democratic entity.

Loss of tax revenue may be due to omission or neglect.

The down grading of assessments in old and run-down sections, (and to some extent in summer resort locations), loses potential TAX REVENUE and creates an unrealistic, property and rental, revenue TAX relationship proportion.

These may be a few of the many factors to be reviewed for re-consideration.

THEOREM:

In a survey made some years ago, it was estimated that an incorporated company with branches in each of the provinces and also foreign branches, located in Toronto, Ontario, there could be around 600 different TAXES affecting the corporation and its personnel.

Many duplications in factors in cost of collection, administrative responsibilities, effective application, and the disbursement of TAX FUNDS must be intensively examined so that drastic reduction in the EXPENSE savings may in turn be reflected in the tax amounts, for the benefit of the TAX PAYER.

The taxation fields must be re-assessed in the light of the interested government authorities vested in Canada as a whole, the Provinces, cities, counties, (All township governing bodies should be eliminated by transfer to county and larger responsibilities,) towns, districts or other incorporations.

Indirect and direct TAXES should be reviewed for the purpose of softening or removing the impact of duplication. This is important e.g. to personal residence properties.

Comparisons with Previous Periods should be studied re the increases in taxes from time to time. A look at a Provincial law, assented to on April 17th 1924, Chapt. 13, section 7, 14 George Vth. "Statement filed by owner" and Section 10, Chapt. 13, 14 Geo. Vth, "The collector shall --- notify ---" What happens in that procedure problem and law to-day?

PROPOSITION:

It is evident from the experience in 1963 of the minister of Finance for Canada, when upon representations and political pressures he reworded portions of his budget, that, the people at large and corporations are requiring a modern TAXING policy applied in the light of modern economic conditions and standards of living. Or ELSE !

A commission report as required in the "terms of reference" can hardly be presented in a form which merely reflects a hashing over, and little evidence of basic new policies, improvements or original IDEAS.

For example, property assessments might be automatically examined at the change of ownership of property and realistic values of assessments established for the purpose of protecting a fair and reasonable TAX revenue.

The municipal property tax of a pensioner should remain static during the life time of the taxpayer. No residence property owner should lose his home because of an increase in his property taxes. A tax adjustment can be logically effected at the next change of ownership.

PROPOSITION

In a survey made some years ago, it was estimated that an incorporation with benefits in each of the provinces and also foreign provinces, located in Toronto, Ontario, there could be around 500 different TAXES affecting the corporation and its personnel.

Many difficulties in future in case of collection, administrative responsibilities, effective application, and the adjustment of TAX TUNES must be intensively examined so that drastic reduction in the income tax may in turn be reflected in the tax amounts, for the benefit of

THE TAX TUNES

The taxation fields must be re-assessed in the light of the interests government authorities vested in Canada as a whole, the Province, cities, counties, (All remaining governing bodies should be eliminated by transfer to county and larger responsibilities), towns, districts or other corporations.

Interest and other TAXES should be reviewed for the purpose of relieving or removing the burden of taxation. This is important to be personal residence properties.

Companies with Federal Taxation should be related to the income in taxes from time to time. A look at a Provincial law, enacted on April 1, 1952, Chap. 10, Section 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.

PROPOSITION

It is evident from the experience in 1957 of the impact of Finance for Canada, when upon representations and political pressure in respect of his budget, that the people at large and corporations are requiring a modern TAXING policy applied in the light of modern economic conditions and standards of living. OR ELSE ?

A consultation report as required in the "Season of reflection" can hardly be presented in a form which merely reflects a banking over, and little evidence of basic new policies, improvements in original EXIST.

For example, property assessment might be automatically examined on the basis of ownership of property and realistic values of assessments established for the purpose of protecting a fair and reasonable TAX revenue. The principal property tax of a person should remain static during the life time of the taxpayer. No residence property owner should lose his home because of an increase in the property taxes. A tax adjustment can be logically effected at the next change of ownership.

GENERALIZATION AND REPEAL OF VARIOUS TAX ACTS IN SIMILAR SUBJECTS.

It would seem to be about time to review many of the TAX laws for the purpose of reducing their number and at the same time re-classifying and re-stating many details.

The general pre-amble of many laws is so similar that they need only to be classified as to intent. E.g. Animals: (general introduction) and further information such as: wolves--bounty \$-- in territory??, Dogs licence: in municipalities, dog \$-- Bitch \$-- etc. Business licence: in municipalities: Beverage room: (A) basis \$-- (B) basis \$-- (C) basis \$-- Pool Room: (A) Basis \$-- (B) basis \$-- etc. Bowling alley: (A) Basis \$-- (B) basis \$-- etc.

Clarification and simplification might be inducted, even if the law items were reduced by only 10%, by repealing and consolidating for modernization.

CONCLUSION:

This may be viewed as a matter of "mites and lice". However, in such an undertaking, a fine tooth comb procedure may be an apt adage.

The Provincial taxing authorities and revenue sources are set out in the B.A. Act. From this beginning it should be determined that the power of taxing is fully utilized. At the same time it should be confirmed that no unauthorized taxes are being imposed and collected.

The authorized sources of revenue should be reviewed so that their assessed value may be modernized.

The TAX COLLECTION equipment and personnel may be examined to verify that their efficiency and effectiveness produce a near maximum tax revenue.

There are taxes, licences, penalties and other revenues from Provincial Enterprises and Commissions to be modernly appraised.

Consideration should be directed through the whole taxing structure to determine whether there could be any merit and saving in "DECENTRALIZATION" of the "TAX COLLECTION" organization and authority. This is a matter of towns, counties, cities, districts, and perhaps other sectors collecting more of their own taxes. For one saving the Province would have to collect less taxes and the "VARIATION" in local tax requirements could mean a lower rate of taxes for smaller communities. There is an opinion that under present methods there is a certain feeling that the smaller communities are making TAX contributions to the larger centres without corresponding local benefit. This may be difficult to disprove.

Having, to some extent, blazed a trail of procedure, analysis, re-classification and new developments in the bases of "TAXING FOR REVENUE" the Commission may be instrumental in achieving for the Province a program of "MODERNIZATION" in this field of Government.

Not knowing the "Terms of Reference", why write More?

HAMILTON, Ont

Harold Bricker C.G.A., R.F.A., Retired

It would seem to be about time to review many of the tax laws for the purpose of reducing their number and at the same time re-classifying and re-stating many details.

The general principle of many laws is so similar that they need only to be classified as to intent. E.g. Animals: (General prohibition) and further taxes: nation such as: wolves--county \$-- in territory? Dogs license: in municipality: fish, dog \$-- Hired \$-- etc. Business licenses: in municipality: Beverage room: (A) basic \$-- (B) basic \$-- (C) date \$-- Pool room: (A) basic \$-- (B) basic \$-- etc. Working alley: (A) basic \$-- (B) basic \$-- etc.

Classification and simplification might be indicated, even if the law items were reduced by only 10% by repealing and reclassifying for modernization.

CONCLUSION:

This may be viewed as a matter of "order and law". However, in such an undertaking, a fine tooth comb procedure may be an apt stage.

The Provincial taxing authorities and revenue sources are not out in the B.A. Act. From this beginning it should be determined that the power of taxing is fully utilized. At the same time it should be confirmed that no unutilized taxes are being imposed and collected.

The authorized sources of revenue should be reviewed so that their assessed value may be modernized.

The TAX COLLECTION department and personnel may be examined to verify that their efficiency and effectiveness produce a near maximum tax revenue.

There are taxes, licenses, penalties and other revenues from Provincial Enterprises and Commissions to be modernized appraised.

Consideration should be directed through the whole taxing structure to determine whether there could be any merit and saving in "REGISTRATION" of the "TAX COLLECTION" organization and authority. This is a matter of power, counties, cities, districts, and perhaps other agencies collecting more of their own taxes. For one saving the Province would have to collect less taxes and the "VARIATION" in local tax requirements could mean a lower rate of taxes for smaller communities. There is an opinion that under present methods there is a certain feeling that the smaller communities are making TAX contributions to the larger centres without corresponding local benefit. This may be difficult to dispose.

Having, to some extent, cleared a trail of procedure, analysis, re-classification and new developments in the house of "TAXING FOR REVENUE" the Commission may be instrumental in achieving for the Province a program of "MODERNIZATION" in this field of Government.

Second Submission.

The Ontario Committee on Taxation,
Mr. H.R. Hanson, Secretary,
88 University Ave.,
Toronto 1.

Refer to: First submission.

Dear Sirs:

May I thank you for your acknowledgement of my first submission and the Information memorandum.

At this time I am offering, for consideration some new taxation fields, as follows: A.- It is high time that CO-OPERATIVES be examined for TAXATION contribution. My suggestion would be a 15% Provincial Tax on the undivided surplus stated, by them, in their financial statements at the end of their financial period. (They will undoubtedly take action to evade this unless it set up, so any variation in their bookkeeping would determine the computation for TAX PURPOSES.)

B.- LABOUR UNIONS are getting to be BIG business and as such, should contribute to taxation,- Provincial. Unions and Societies should be required to pay a Provincial Tax of 15% on their surplus funds at the end of their financial year. (This refers to business and social entities, (It should exempt welfare organizations.)

Although perhaps in the Canadian field, consideration might be given to TRANSFERRED FUNDS, either domestically or to foreign account, A Provincial TAX of 15% may not be unreasonable.

By Harold Bricker, C.G.A., R.I.A., Retired

32 Mount Royal Avenue,
Hamilton, Ont.
September 23, 1963.

The Ontario Committee on Taxation,

Mr. H. E. Barnard, Secretary,

88 University Ave.,

Toronto 1.

Re: First submission.

Dear Sir:

My I thank you for your acknowledgment of my first submission and the

information furnished.

At this time I am offering, for consideration some new taxation fields, as follows: A. - It is high time that CO-OPERATIVES be examined for TAXATION contribution. My suggestion would be a 1% Provincial Tax on the undivided surplus stated, by them, in their financial statements at the end of their financial period. (They will undoubtedly take action to evade this unless it set up, no any variation in their bookkeeping would determine the expenditure for TAX PURPOSES.)

B. - LABOUR UNIONS are failing to be BIG business and as such, should contribute to taxation. - Provincial. Unions and Societies should be required to pay a Provincial Tax of 1% on their surplus funds at the end of their financial year. (This refers to business and social entities. (It should exempt welfare organizations.)

Although perhaps in the Canadian field, consideration might be given to TRANSFERRED, other domestically or to foreign account, a Provincial TAX of 1% might be unreasonable.

By Harold Wilson, C.S.A., A.I.A., Montreal

35 Mount Royal Avenue,

Montreal, Que.

September 23, 1967.